

OFFICE OF ECONOMIC DEVELOPMENT

Impact Analysis Report

OVERVIEW

The Office of Economic Development (OED) is responsible for administering the City's Foreign Trade Zone and Subzones, which includes processing applications, boundary modifications, and contract negotiations and extensions. Maintaining a Foreign Trade Zone enhances the City's image and prestige as a foreign trade-friendly City, and a major international city as well. It is also an important international marketing asset for the City of San José.

Per City Council direction, in 2005-2006, the Office of Cultural Affairs (OCA) became part of the Office of Economic Development. Collection of fees related to OCA activities, including various event permit and use permit fees, are included in this section. Consistent with past practice, the OCA fees and charges program is designated as not subject to full cost-recovery requirements.

SUMMARY OF PROPOSED FEE REVISIONS

Existing Fees

In 2007-2008, changes are proposed to the Gated Event on Public Property fees. The Gated Event on Public Property Fee is proposed to change from 5% of gross gate receipts to 5% of gross gate receipts unless modified by a contractual agreement approved by City Council, and the Ticket Charge is proposed to change from maximum per person attendance fee of \$15 to \$15 per person unless modified by a contractual agreement approved by City Council. These fee changes will provide the flexibility needed to keep the cost in line with contractual agreements.

NOTIFICATION

General public notice of proposed fee revisions is provided through published Council hearing dates and a minimum of ten days for public review of the 2007-2008 Proposed Fees and Charges Report.

DEPARTMENTAL FEES AND CHARGES

ECONOMIC DEVELOPMENT

Service	2006-2007 Adopted Fee	2006-2007 % Cost Recovery	2007-2008 Proposed Fee	2007-2008 Estimated Cost	2007-2008 Estimated Revenue		2007-2008 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
ECONOMIC DEVELOPMENT - CATEGORY II								
1. Foreign Trade Main Zone								
1 Additional Zone Application Fee	\$3,200		No Change					
2 Annual Fee	\$350		No Change	350	350	350	100.0%	100.0%
3 Expansion Fee	\$1,600		No Change					
4 Performance Fee	\$100		No Change	100	100	100	100.0%	100.0%
Sub-total Foreign Trade Main Zone				450	450	450	100.0%	100.0%
2. Foreign Trade Subzone								
1 Annual Fee	\$5,000		No Change					
2 Application Fee	\$1,500		No Change	4,000	4,000	4,000	100.0%	100.0%
Sub-total Foreign Trade Subzone				4,000	4,000	4,000	100.0%	100.0%
SUB-TOTAL ECONOMIC DEVELOPMENT - CATEGORY II				4,450	4,450	4,450	100.0%	100.0%
OFFICE OF CULTURAL AFFAIRS - CATEGORY II								
1. Gated Event on Public Property								
1 Gated Event on Public Property Fee	5% of gross gate receipts		5% of gross gate receipts (unless modified by a contractual agreement approved by City Council)					
2 Ticket Charge	maximum per person attendance fee of \$15		\$15 per person (unless modified by a contractual agreement approved by City Council)					
Sub-total Gated Event on Public Property		79.4%		12,600	10,000	10,000	79.4%	79.4%
2. Paseo/Plaza Use Permit Fee								
1 Permit Amendment Fee	\$50		No Change					

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ECONOMIC DEVELOPMENT

Service	2006-2007 Adopted Fee	2006-2007 % Cost Recovery	2007-2008 Proposed Fee	2007-2008 Estimated Cost	2007-2008 Estimated Revenue		2007-2008 % Cost Recovery	
					Current Fee	Proposed Fee	Current Fee	Proposed Fee
OFFICE OF CULTURAL AFFAIRS - CATEGORY II								
2. Paseo/Plaza Use Permit Fee								
2 Permit Fee	\$100		No Change					
3 Series Permit Fee	\$175		No Change					
Sub-total Paseo/Plaza Use Permit Fee		27.8%		10,800	3,000	3,000	27.8%	27.8%
3. Private Property Event Permit								
1 Non-vehicle sale events	\$500 per event		No Change					
2 Vehicle sales events	\$1,000 per event		No Change					
Sub-total Private Property Event Permit		60.6%		66,000	40,000	40,000	60.6%	60.6%
SUB-TOTAL OFFICE OF CULTURAL AFFAIRS - CATEGORY II		59.3%		89,400	53,000	53,000	59.3%	59.3%
TOTAL DEPARTMENT - GENERAL FUND				93,850	57,450	57,450	61.2%	61.2%
TOTAL DEPARTMENT - Category II				93,850	57,450	57,450	61.2%	61.2%
TOTAL DEPARTMENT				93,850	57,450	57,450	61.2%	61.2%